



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Sound Community Services, Inc.

Docket Number: 07-31055-CON

Project Title: Termination of Partial Hospitalization Program in New London

Statutory Reference: Section 19a-638 of the Connecticut General Statutes

Filing Date: May 15, 2008

Decision Date: August 8, 2008

Default Date: August 13, 2008

Staff Assigned: Paolo Fiducia

Project Description: Sound Community Services, Inc. (“Applicant”) is proposing to terminate its Partial Hospitalization Program (“PHP”) in New London, with no associated capital expenditure.

Nature of Proceedings: On May 15, 2008, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) application of Sound Community Services Inc. seeking authorization to terminate its Partial Hospitalization Program in New London, with no capital expenditure. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA’s receipt of the Applicant’s Letter of Intent was published in the *The Day Publishing Co.*, New London, on November 19, 2007. OHCA received no responses from the public concerning the Applicant’s proposal. Pursuant to Public Act 05-75, three individuals or an individual representing an entity with five or more people had until June 5, 2008, the twenty-first calendar day following the filing of the Applicant’s CON Application, to request that OHCA hold a public hearing on the Applicant’s proposal. OHCA received no hearing requests from the public by June 5, 2008.

OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-638, C.G.S. The provisions of this section as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Clear Public Need

Impact of the Proposal on the Applicant's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. Sound Community Services, Inc. ("Applicant") is a non-profit health care provider that provides outpatient psychiatric treatment and substance abuse treatment for adults at 165 State Street, Suite 200, New London, Connecticut. (*February 28, 2008, CON Application, Page 2*)
2. The Applicant currently holds the following Department of Public Health ("DPH") licenses at the following locations:

Table 1: Applicant's service locations

Name of Program	Location	DPH License
Sound Community Services, Inc.	165 State Street, Suite 200, New London	Mental Health Day Treatment Facility, Facility for the Care or Treatment of Substance Abusive or Dependent Persons, and Psychiatric Outpatient Clinic for Adults.
Sound Community Services, Inc.	401 West Thames Street, Cottage #8, Norwich	Mental Health Residential Living Center
Sound Community Services, Inc.	110 Main Street, Norwich	Psychiatric Outpatient Clinic for Adults

(*Department of Public Health Bed and Service Listings*)

3. The Applicant is proposing to terminate its Partial Hospitalization Program ("PHP") at 165 State Street, New London, Connecticut. (*February 28, 2008, CON Application, Page 2*)
4. The Applicant states that the PHP is a comprehensive, short-term outpatient program for adults who have psychiatric diagnoses or co-occurring psychiatric and substance abuse disorders. (*November 2, 2007, Letter of Intent, Page 8*)
5. On August 17, 2005, under CON Exemption Report Number 05-30451-EXM, OHCA determined that the merger between Integrated Behavioral Health, Inc. and First Step,

Inc. to form a new entity Sound Community Services, Inc. located at 165 State Street in New London meets the exemption requirements of Section 19a-639b of the Connecticut General Statutes.

6. Integrated Behavioral Health received its license to provide PHP on July 1, 1991.
7. OHCA finds no evidence that Integrated Behavioral Health received CON authorization to begin PHP services.
8. The Applicant at its 165 State Street, Norwich location will continue to offer the following services:
 - Outpatient psychiatric mental health and substance abuse treatment,
 - Intensive outpatient services,
 - Case management,
 - Employment services,
 - Rehabilitation services,
 - Oasis program,
 - Basic living skills,
 - Supportive housing,
 - Supervised apartment program,
 - Michael Kerr respite program, and
 - Bent Crandall program.

(May 15, 2008, Completeness Letter Responses, Page 5)
9. The primary treatment modality is group psychotherapy, which includes medication monitoring and education, psycho-educational groups addressing mental health and substance abuse issues, creative arts therapies, and cognitive-behavior therapy to enhance coping skills. The length of stay in the program is based on the individual's needs with an average stay of four to six weeks. *(November 2, 2007, Letter of Intent, Page 8)*
10. The Applicant's PHP program offers services to residents of the following towns: New London, Waterford, East Lyme, Montville, Groton, Stonington, North Stonington, Ledyard, Preston/Voluntown, Norwich, Griswold, Sprague/Lisbon, Colchester/Salem and Bozrah/Franklin. *(February 28, 2008, CON Application, Page 3)*
11. The Applicant states that the need to terminate the PHP was based solely on lack of utilization and reimbursement. *(February 28, 2008, CON Application, Page 2)*
12. No clients have been treated in the Applicant's PHP since July 26, 2007. *(July 21, 2008, Completeness Letter Responses, Page 24)*
13. The Applicant states that although the program has no enrollment, is required to utilize personnel and space resources to maintain at least a minimal staffing level in the event that someone does choose to enroll in the program. *(February 28, 2008, CON Application, Page 2)*

14. The following table shows the number of clients served in FY 2005, FY 2006, FY 2007:

Table 1: Number of clients served in FY 2005, FY 2006 and FY 2007

	FY 2005	FY 2006	FY 2007
Number of Clients Served	93	17	5

(February 28, 2008, CON Application, Page 3)

15. The Applicant states that it continues to offer an Intensive Outpatient Program which is a viable alternative for many clients who would seek a PHP level of treatment. *(May 15, 2008, Completeness Letter Responses, Page 19)*
16. The Applicant also states that any client who needed the increased intensity of a PHP, would be referred to Lawrence and Memorial Hospital's PHP program. The Applicant cannot provide the data by referral source by program. *(May 15, 2008, Completeness Letter Responses, Page 19)*
17. Often PHP clients have recently been hospitalized and if a client is inpatient with Medicare as insurance, the hospital works to step that client down within their own partial program. *(May 15, 2008, Completeness Letter Responses, Page 19)*
18. The Applicant states that its existing PHP program duplicates PHP programs at Lawrence and Memorial Hospital in New London, Backus Hospital in Norwich and Stonington Institute in Waterford. Lawrence and Memorial Hospital is less than 3 miles from the location of the Applicant's PHP program. *(February 28, 2008, CON Application, Page 2)*
19. The Applicant's payer mix for the PHP program is as follows: *(February 28, 2008, CON Application, Page 10)*

Table 2: PHP Program Payer Mix

Payer Mix	PHP
Medicare	58.0%
Medicaid	36.0%
TriCare (CHAMPUS)	0.0%
Total Government	94.0%
Commercial Insurers	2.0%
Self-Pay	4.0%
Workers Compensation	0.0%
Total Non-Government	6.0%
Total Payer Mix	100.00%

Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Applicant's Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and the Payers for Such Services
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

20. The project has no associated capital expenditure. *(February 28, 2008, CON Application, Page 9)*
21. The Applicant states that the projected loss from operation for the PHP program would be (\$55,694) per year. *(May 15, 2008, Completeness Letter Responses, Page 21)*
22. There is no State Health Plan in existence at this time. *(February 28, 2008, CON Application, Page 2)*
23. The Applicant has adduced evidence that the proposal is consistent with its long-range plan. *(February 28, 2008, CON Application, Page 2)*
24. The Applicant has improved productivity and contained costs by the application of new technologies. *(February 28, 2008, CON Application, Page 8)*
25. The proposal will not result in any change to the Applicant's teaching and research responsibilities. *(February 28, 2008, CON Application, Page 9)*
26. The proposal will not result in changes to the Applicant's patient/physician mix. *(February 28, 2008, CON Application, Page 7)*
27. The Applicant possesses sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(February 28, 2008, CON Application, Page 8)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for Certificate of Need (“CON”) proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

Sound Community Services, Inc. (“Applicant” or “SCS”) provides outpatient psychiatric treatment, substance abuse outpatient services for adults and partial hospitalization program at 165 State Street in New London, Connecticut. The Applicant is proposing to terminate its Partial Hospitalization Program in New London due to the lack of utilization and reimbursement. The Applicant has not provided partial hospitalization program services in New London since July 26, 2007. The Applicant continues to provide psychiatric outpatient services and substance abuse treatment.

The entity Sound Community Services, Inc. is the result of the merger between Integrated Behavioral Health, Inc. and First Step, Inc. OHCA finds no evidence that Integrated Behavioral Health, Inc. received CON Authorization to begin PHP services as of July 1, 1991. Although the program has no enrollment, the Applicant is required to utilize personnel and space resources to maintain at least a minimal staffing level in the event that someone does choose to enroll in the program. Lawrence and Memorial Hospital in New London, William W. Backus Hospital in Norwich and Stonington Institute in Waterford offer the same PHP services. The Applicant stated that its Intensive Outpatient Program is a viable alternative for many clients who would seek a PHP level of treatment. The Applicant indicates that any client who needed the increased intensity of a PHP would be referred to Lawrence and Memorial Hospital’s PHP program. The Applicant cannot provide utilization data by referral source by program. Since OHCA was deprived of the opportunity to review the information prior to the termination of the PHP services, it is unable to determine whether patient access was adversely impacted at the time of the termination of the PHP services.

The proposal has no associated capital expenditure. The Applicant projected loss from operation for the PHP program is (\$55,694) per year.

Order

The proposal of Sound Community Services, Inc. to terminate its Partial Hospitalization Program in New London, with no associated capital expenditure is hereby GRANTED.

Sound Community Services, Inc. shall hereafter notify OHCA of any and all proposed termination of services prior to finalizing any decision to terminate any services or programs. Failure to notify OHCA in advance of any proposed termination of services may be considered as not filing required information and subject Sound Community Services, Inc. to civil penalties pursuant to Section 19a-653, C.G.S.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

Signed by Commissioner Vogel on August 8, 2008

Date

Cristine A. Vogel
Commissioner

CAV:pf